

Appendix 3 Fast Track

Introduction

The fast-track funding mechanism allows a 50/50 program application to accelerate through the standard application process. The total estimated cost of the project is established and apportioned upon the project's initial SAB approval.

Subsequently, these funds are disbursed, as necessary, for the development and construction of the project without the prerequisite of any OLA review of eligibility. However, the district is obligated to enter into a construction contract within 18 months of the project's initial SAB approval. Features of the fast track program include:

- exemption of matching share requirement
- minimizes district's obligation to participate in the OLA project review process
- provides a funding reservation of the State's 50 percent contribution at initial SAB approval

Required Documents

Districts filing applications to fast track the project must complete the identical documents as outlined in the new construction program (see *Required Documents, pages 3-A-2 and 3-A-3, 3-B-1 and 3-B-2, 3-C-1*). In addition, the following documents must be submitted prior to an initial SAB approval:

FORM NO.	DESCRIPTION
<input type="checkbox"/> none	Fast Track Request
<input type="checkbox"/> SAB 506A	Estimated Project Cost Detail
<input type="checkbox"/> SAB 506B	Summary of Estimated Costs

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Application Requirements

New Application

Districts filing an initial advance construction application may request fast track funding. The district must submit a written request to “fast track” the project with the application. This request must be signed by the District Superintendent and contain the following certification:

“I hereby certify that the Governing Board of the (insert school District name), by resolution adopted on (insert full date of adoption) did agree that the District is responsible for any and all costs incurred in the project resulting from ineligible work or expenditures.”

Conversion of an Existing Application

Districts which are currently participating in the State School Building Lease-Purchase Program may, at any time, convert an application to the 50/50 program with a request to “fast track” the project’s funding. However, projects for which a “notice of completion” has been filed are ineligible.

To convert an existing application, the district must submit an 50/50 program application accompanied by a “fast track” request.

Development of an Estimated Project Budget

Prior to an initial fast track application approval an estimated project budget must be established. The budget shall include all costs normally eligible under the State School Building Lease-Purchase Program.

The budget may be developed in one of the following methods:

METHOD	DESCRIPTION
1	An estimate of \$120.00 per square foot of project area. In addition, if the site acquisition is involved include the estimated cost of the site as estimated in the letter appraisals may be included (see <i>Real Property Appraisals, page 3-B-14</i>).
2	The project architect must submit a completed <i>Form SAB 506A, Estimated Project Cost Detail and Form SAB 506B, Summary of Estimated Costs</i> .

Note: The OLA may request supporting documentation if costs appear excessive.

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Financial Obligations

Prior to an initial fast track application approval, the district must submit a financial plan identifying the source of its contribution. The district's ability to meet its financial obligation must be reported in one of the following methods:

METHOD	DESCRIPTION
1	A financial plan identifying the availability of district funds equal to two-thirds of the district's total project contribution. The plan must be approved by the OLA.
2	If a plan is not submitted or submitted and not approved by the OLA, the District must provide written certification that ten percent of the district's contribution is dedicated and available in district accounts prior to the projects' initial SAB approval.

In either method, ten percent of the district's contribution must be deposited in the County State School Building Lease-Purchase fund within 30 days of the project's initial fast track SAB approval.

An additional 40 percent of the district's contribution must be deposited six-months from the initial fast track and the remaining 50 percent at the 18 month limit.

Release of Funds

The following documents are required for the release of feasibility study, design development, and site acquisition costs:

FORM NO.	TITLE
<input type="checkbox"/> SAB 518	Agreement to Lease
<input type="checkbox"/> SAB 533	Client/Architect Agreement
<input type="checkbox"/> none	Approved Environmental Impact Documents
<input type="checkbox"/> none	Letter of Request for Release of Funds

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**Release of Funds,
continued**

The following documents are required for the release of construction and related costs (i.e., inspection, tests, etc.):

FORM NO.	TITLE
<input type="checkbox"/> none	Fully Executed Construction Contract
<input type="checkbox"/> none	A Letter of Request for Release of Funds

For a release of funds, the District Superintendent must submit a “Letter of Request”. This letter must contain the following:

- project number
- specific amount of release
- specific purpose of the release (i.e., architect fees, site costs, etc.)
- certification that the funds are necessary for the development or construction of the project

**Courtesy Conformance
Review**

If the district so elects, the OLA will perform courtesy conformance reviews when the final non-OSA approved plans and specifications are complete:

- final non-OSA plan review for purposes of establishing a construction allowance
- site acquisition documents
- bid documents
- minority and women business enterprises contract participation goals documents

If the district elects to have such a review completed, it *will not* be recognized by the SAB as justification for any time extensions.

Note: The district must comply with any other requirements for review or approval by any other agencies, state or local, normally involved in the process. This includes, but is not limited to, the Office of the State Architect and California Department of Education.

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Revisions to the Project Budget

In the event that costs vary from the initial fast track apportionment, an adjustment will be made to adequately reflect the actual eligible project costs. Apportionment increases shall be made upon the OLA's receipt of the construction bids. At this time, a revised cost estimate prepared by the project architect, to include site acquisition costs, must also be submitted to the OLA.

Note: Increases in the project apportionment are subject to funding availability.

Time Limitations

Within 18 months of a project's initial fast track approval, the district must submit the following documents:

- OSA approved plans and specifications
 - fully executed construction contract
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Time Extension

The district may request a one time six-month extension if the 18 month time limitation cannot be met due to circumstances beyond the district's control. This request must be filed no later than 30 days prior to the expiration of the initial 18 month limit.

Penalties for Exceeding the Time Limitation/Cost Standards

If the district fails to comply with the time limitations, the project shall no longer be considered a fast track application. Any portion of the fast track apportionment which has not been expended or legally committed will be retained by the State.

In this instance, the district may apply for the restoration of funding as a 50/50 program application. Prior to filing for the funding restoration, all documents and reviews required of a standard 50/50 program application must be completed. This submittal includes OSA approved plans and specifications.

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District's Financial Responsibilities

The district will be held financially responsible for the following costs:

- Full cost of construction related items not eligible under the State School Building Lease-Purchase Program.
- All costs exceeding SAB established cost allowances; and

In addition, to the extent that the SAB established cost allowance is exceeded by more than five percent, the district shall be held financially responsible for these excess costs. Any amount exceeding five percent shall be assessed against the SAB established cost allowance for the project.

Example:

SAB COST ALLOWANCE	CONSTRUCTION CONTRACT
\$1,000,000.00	\$1,150,000.00

The construction exceeds the SAB cost allowance by 15 percent. The district must fund this excess at \$150,000.00. In addition, ten percent of the SAB cost allowance must be funded by the district at \$100,000.00. Therefore, the district must contribute a total of \$250,000.00.

Note: The district contribution must be made from funding sources not otherwise available to the SAB.

The final project budget shall be determined at the final closeout audit. Adjustments to the district and/or SAB allowances will be made at this time. ©